

AN ACT

relating to fees regarding a residential tenant's failure to timely pay rent.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 92.019, Property Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (a-1) to read as follows:

(a) A landlord may not collect from ~~[charge]~~ a tenant a late fee for failing to pay any portion of the tenant's rent unless:

(1) notice of the fee is included in a written lease;

(2) the fee is ~~[a] reasonable [estimate of uncertain damages to the landlord that are incapable of precise calculation and result from late payment of rent]~~; and

(3) any portion of the tenant's rent has remained unpaid two ~~[one]~~ full days ~~[day]~~ after the date the rent was originally due.

(a-1) For purposes of this section, a late fee is considered reasonable if:

(1) the late fee is not more than:

(A) 12 percent of the amount of rent for the rental period under the lease for a dwelling located in a structure that contains not more than four dwelling units; or

(B) 10 percent of the amount of rent for the rental period under the lease for a dwelling located in a structure

1 that contains more than four dwelling units; or

2 (2) the late fee is more than the applicable amount  
3 under Subdivision (1), but not more than uncertain damages to the  
4 landlord related to the late payment of rent, including direct or  
5 indirect expenses, direct or indirect costs, or overhead associated  
6 with the collection of late payment.

7 (b) A late fee under this section may include an initial fee  
8 and a daily fee for each day any portion of the tenant's rent  
9 continues to remain unpaid, and the combined fees are considered a  
10 single late fee for purposes of this section.

11 (c) A landlord who violates this section is liable to the  
12 tenant for an amount equal to the sum of \$100, three times the  
13 amount of the late fee collected [~~charged~~] in violation of this  
14 section, and the tenant's reasonable attorney's fees.

15 SECTION 2. Subchapter A, Chapter 92, Property Code, is  
16 amended by adding Section 92.0191 to read as follows:

17 Sec. 92.0191. STATEMENT OF LATE FEES. A tenant may request  
18 that the landlord provide to the tenant a written statement of  
19 whether the tenant owes a late fee to the landlord and, if so, the  
20 amount of the late fee. On request of the tenant, the landlord  
21 shall provide the statement to the tenant by any established means  
22 regularly used for written communication between the landlord and  
23 the tenant. A landlord's failure to respond does not affect the  
24 tenant's liability for any late fee owed to the landlord.

25 SECTION 3. Section 92.019, Property Code, as amended by  
26 this Act, applies only to a late fee under a lease entered into or  
27 renewed on or after the effective date of this Act. A late fee under

1 a lease entered into or renewed before the effective date of this  
2 Act is governed by the law as it existed immediately before the  
3 effective date of this Act, and that law is continued in effect for  
4 that purpose.

5 SECTION 4. This Act takes effect September 1, 2019.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1414 passed the Senate on April 17, 2019, by the following vote: Yeas 26, Nays 5; and that the Senate concurred in House amendment on May 23, 2019, by the following vote: Yeas 27, Nays 4.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1414 passed the House, with amendment, on May 21, 2019, by the following vote: Yeas 94, Nays 52, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor